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ABSTRACT

Begun as an experimental channel of the European Institute for the Media within the DELTA research program of the European Community, Channel e is Europe's first educational, training, and informative programming service. Programs are broadcast by communications satellite to a potential mass audience of 320 million people. Designed for use on the ASTRA satellite, Channel e offers educational television programs for migrant communities; young Europeans seeking employment outside their own countries; and continuing education, including second language instruction, vocational education, and open university courses. Program implementation begins in 1991 with 1 hour broadcast per day, 5 days a week, and should increase to a 3-hour day, 5 days a week by 1994. Future plans for Channel e include the development of medium and long-term use of this service in formal and informal education throughout Europe; further experimentation in the areas of language transfer and interactive broadcasting; and the establishment of commercial profit centers designed to bring additional revenue to Channel e. Listings of the members of the Channel e steering committee and the members of the advisory council of the European Institute for the Media, Manchester, are appended. (DB)

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Channel e: the Open Learning channel for Europe

Channel e is intended to offer European citizens an opportunity to share in a common learning experience unfettered by political, social or educational barriers.

The Channel e service covers the whole of Europe, from Stockholm in the north to Florence in the south; the Atlantic coast of Ireland in the west to Warsaw in the east. With the addition of cable and terrestrial relays, Channel e can be available to all Europeans who wish to see it.

Speaking to all Europeans in the area covered by the ASTRA satellite, Channel e has demonstrated that there is a latent demand for a continuing service of education, training and information delivered in an easily affordable and accessible form to viewers in their homes, workplaces and educational institutions.

Within the framework of the DELTA research programme of the Commission of the European Communities Channel e has demonstrated its ability to meet this need and identified some medium and long-term options and costs for the development of the service alongside other satellite broadcasting services.

The European Institute for the Media has now agreed to seek sources of finance to allow the development of Channel e on a five-year basis, enlarging provision to three hours a day of relevant and necessary programming in support of European educational needs.

1. What is the Channel e experiment?

Channel e is Europe's first regular and only service of educational, training and informative programmes broadcast by the ASTRA satellite to a potential mass audience of 320-million people. The detailed coverage map is shown at Table 1.

1.1. During the experimental period, the Channel e consortium has comprised:

The European Institute for the Media, the prime contractor to DELTA
Société européenne des Satellites, owners of the ASTRA satellite
VNU (Vereenigde Nederlandse Uitgeversbedrijven), the Dutch publishing company.

The programmes have been broadcast twice daily, at 0930 and 1200 hours CET, on transponder 13 of ASTRA, as part of the weekday schedule of *RTL 4*.

Up to January 31st 1991 Channel e has broadcast almost 250 hours of television programmes on ASTRA, 220 as part of the schedule of *RTL 4* and a further thirty hours on EUTELSAT F4 as part of the schedule of *Super Channel*.

Channel e began as an experimental channel of the European Institute for the Media within the DELTA research programme of the European Community. The first phase of DELTA ends on March 31st 1991. Channel e intends to continue and develop its activities both within and outside the continuing EC Framework programme of support for research and development activities.

2. Objectives of the project

During the exploratory phase, supported by a fifty percent contribution of costs from the DELTA programme of the European Commission, Channel e has undertaken:

- The establishment of educational and informative television broadcasts on the ASTRA medium power satellite to a wide European audience.

- The assessment of the effectiveness of the broadcasts in each strand of programming, and a cost-benefit analysis of the programmes within each strand.

- The identification of possibilities for commercial and other sources of funding to support the development of a European multilingual multi-disciplinary open learning television service.

In addition to these objectives the Channel e team has carried out two further studies:

- The identification of databases throughout Europe which could make use of the capacity of ASTRA to transmit data alongside the television signal

- Research into common accreditation in more than one country for Channel e and other distance learning courses.

Following the experimental phase, the objectives of Channel e are to develop the established service, to secure additional operational funding outside the DELTA research programme, to experiment further in areas of language transfer and interactive broadcasting, and to increase the distribution of the Channel e broadcasts.

2.1. Results of Channel e experimental broadcasting in 1990

- We have established standards of multilingual presentation and programme scheduling, and have identified the timeframe and cost structures appropriate for future development of the Channel e educational service.

- We have evaluated the programmes in each strand of the service, both in terms of their production and in terms of their acceptance by the audience.

- We have established and analyzed the costs of broadcasting in the individual strands and across the range of Channel e broadcasting. This allows us accurately to project the activity to second and subsequent phases of Channel e activity.

- We have identified additional areas which require further research and development: in particular language transfer and interactivity.

2.2. The Channel e programmes

During the experimental period, Channel e broadcasts have taken place in five broad strands:

2.2.1. Language training

Our broadcasting in this strand has included a fifteen part series aimed to the general audience and teaching English as a foreign language, with a student workbook and audio cassettes available fir further study, and a five part series aimed at teachers of the German language and intended to be used, supported by workbooks and printed materials, as classroom and discussion group resource material.

2.2.2. Post experience training.

In the first phase of broadcasting Channel e has transmitted a series of twenty programmes over forty weeks in the series *Understanding Computer Systems*, aimed at computer professionals and produced by the FernUniversität of Germany.

2.2.3. Programmes for migrant communities.

We have defined migrant communities as consisting of Europeans living and working outside their countries of origin, and have identified the Turkish population in Western Europe as being both the largest migrant group and the most widely dispersed across several countries. From the inception of Channel e programming we have broadcast to this audience weekly programmes of cultural reinforcement and education provided by Anadolou University. Studies undertaken by the partner organisation VNU have shown a wide acceptance of the programmes among members of the Turkish community in the Netherlands, and a substantial body of use of the broadcasts as cultural reinforcement to an audience starved of television images and sounds from its country of origir.

2.2.4. Programmes for young Europeans seeking employment and training outside their own countries.

Channel e broadcasting in this area has consisted of twentyfour half-hours, made up of two separate programmes each in twelve European languages, provided by CEDEFOP, the EC funded Centre for the Development of Professional and Vocational Training. We hope to be able to undertake further programmes in this strand in the next phase of Channel e activity, and have already taken advantage of some programing available from the EC itself about the possibilities of living and working in other Community countries.

2.2.5. European Affairs and Continuing Education

From the outset Channel e has recognised the need for a fifth strand under the general title European Affairs, in which we have broadcast programmes of interest to a wide-ranging audience concerned with the development of European policy and the role of the European institutions, as well as programmes of broad interest on health care and environmental issues.

2.3. The findings of the experiment

The first nine months of Channel e broadcasting lead us to believe that there is

- a demand for a high-quality service of education and information addressed to the pan-European audience. For example: the broadcasts of Channel e are used in a range of teaching activities at FAS, the Irish National Vocational Training Centre and are made available as part of the daily resource for students and teachers alike. Similar use of made of the broadcasts on computer systems management at the Brno Technical University in Czecho-Slovakia, and of the language teaching and programmes at high schools and technical colleges throughout Europe. The broadcasts have provided resource material for teaching in centres as separated as Lyons France, Kassel Germany, Hebden Bridge in the United Kingdom and Utrecht in the Netherlands, linking students in a common learning experience that transcends their nationalities. The series of programmes organised by the Northern Ireland Centre for Learning Resources (NICLR) links forty-eight schools in five countries to take advantage of the unique ability of the satellite

to deliver the programme simultaneously throughout Europe for initial viewing followed by a discussion of the programmes by all the students using electronic mail to exchange ideas and opinions.

- a desire among European television viewers to be informed about European affairs. From the moment Channel e started broadcasting in this strand, viewers responded with requests for further information about the series and the subjects covered. perhaps most notably, the makers of the first European affairs series, *Super Channel*, reported a far greater response from viewers, and sales of videocassettes of the series, arising from the Channel e broadcasts than they had received when they first broadcast the programmes on their own service. Similarly, broadcasts of the programmes dealing with student opportunities for training and attachments at the European Commission have prompted direct telephone enquiries from young Europeans seeking more information about the attachment scheme, for whom Channel e has provided information they did not receive in any other form.

- a need for systematic arrangements for language transfer to ensure that programmes are available to European citizens on equal terms, regardless of where they live or which language they speak

- a practical means of distributing European programming using existing and proven technology in the context of entertainment-led television services.

2.3.1. Specific Achievements

In the first year of broadcasting, Channel e has:

- Secured transmission time, playout and uplink services and transponder space by contract, assisted by the partner Société européenne des Satellites, between the Consortium and the Compagnie Luxembourgeoise de Télédiffusion.

- Started and maintained broadcasting in all four strands together with an additional fifth strand of European affairs and continuing education programming.

- Secured, at no additional cost to the project budget, a second outlet for experimental broadcasting using the EUTELSAT F4 satellite and the services of Super Channel to bring the Channel e

programmes to a potential European audience of some 23 million cable-connected homes

- Carried out evaluation of the programmes as broadcast, both from a technical and production viewpoint and, with selected groups of viewers, from a didactic viewpoint.

- Established the framework of negotiation for cable carriage of the Channel e programmes in the countries covered by the footprint, and secured cable carriage in the Netherlands, Luxembourg, Germany, the United Kingdom, Finland and Switzerland.

- Established technical standards for presentation of broadcast material and identified the areas for study in the presentation of multi-national and multi-lingual programmes of education and information.

The Channel e project is conducted within the framework of an established and growing European television broadcasting industry. To that extent, the technical standards to be used must perforce be those widely accepted within that industry, and for which viewers are already equipped. We can identify no advantage to our viewers and users of the service, nor to Channel e, in adopting standards of transmission or display other than those commonly in use at the present time.

2.4. The choice of broadcast standards: PAL, SECAM or MAC?

It is well known that the European Commission has sought to encourage the adoption throughout Europe of a common television transmission standard, and has laid down in the Council Directive of 3-11-1986 (86/529/EEC) a requirement for satellites using any of the WARC high-power satellite transmission channels to use one of the MAC-packet family of standards - specifically C-MAC, D-MAC or D2-MAC.

This requirement does not apply to the ASTRA satellite, which does not broadcast on the channels defined in the Directive, although the transponders on ASTRA are capable of transmitting in any currently defined broadcasting standard should the need arise, and two current services on ASTRA are in fact transmitted in D2-MAC to Sweden for relay by cable operators.

Channel e's eventual transmission standard is that defined by the host broadcasters, but it is important to underline that had Channel e been given a completely open choice of standard, the Consortium would still have opted for the PAL 625 transmissions currently in use.

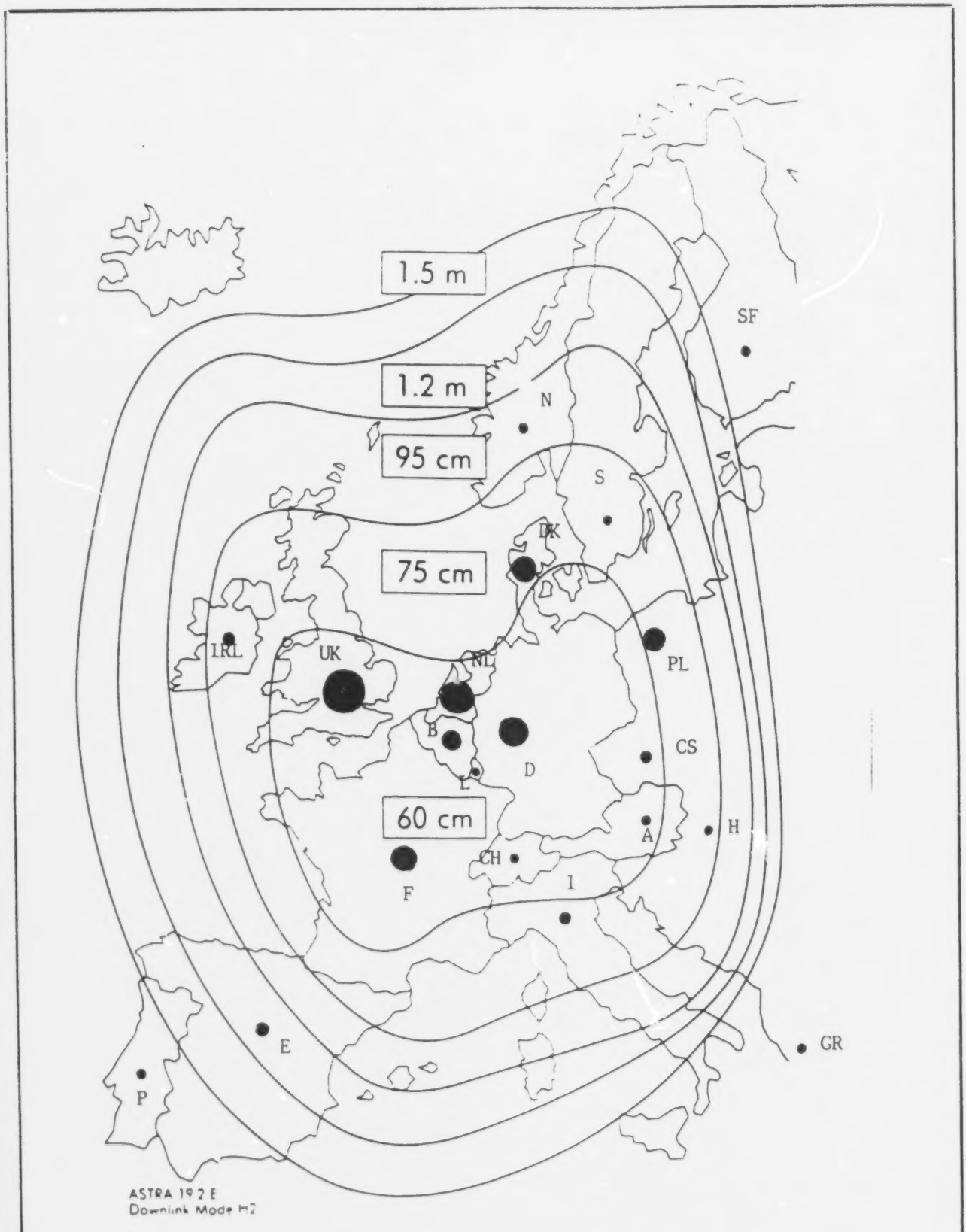
We have observed that the existing high power satellites transmitting in the MAC packet family of standards have suffered technical problems (TV-SAT 1, TDF-1 and TDF-2) which, while not of themselves attributable to the use of the MAC-packet transmission standards, have seriously diminished the market penetration of these standards in their respective territories. We have further observed that up to the time of writing the receiver industry has been unable to ensure a reliable and plentiful supply of receivers for the MAC packet family of standards, that such receivers as are available are incompatible as between the variants of the MAC packet family, and that, most importantly, their market penetration is trivial in the context of the European satellite broadcasting universe.

By contrast the estimated implantation in Europe of direct-to-home receiving equipment capable of receiving the PAL transmissions of the ASTRA satellite is of the order of two million units, including individually owned and SMATV installations as well as cable headends serving some 23 million European homes *(Source: Continental Research, published in Interspace October 1990)*.

Table 1 shows the ASTRA coverage map of Europe, with circles indicating those countries from which viewers have made unsolicited approaches to the Channel e office in Manchester for further information about the Channel end its programmes. The size of the circle is a rough indication of the relative volume of response in each country. The diagram clearly shows that the Channel e service is reaching an audience in every country in Western Europe and in Hungary, Poland and Czechoslovakia in the East. Over the nine months of broadcasting from March 6th 1990 to the end of the year, more than 1 500 viewer enquiries have been received at the Channel e office, together with further response from viewers directly to the programme providers, to the host broadcasters RTL 4 and Super Channel, and to the offices in Luxembourg of the Société européenne des Satellites.

Table 1
The coverage of Channel e transmissions on ASTRA and the response of the European audience

The circles represent viewer enquiries: their size is in proportion to the number of enquiries received



Channel e Transmission Schedule for RTL4	Week beg 3 Dec 1990	Week no 49
	0930-1000 CET	1200-1230 CET
Monday 3:12	Hello Europe, part 3 of 5 Introduction to the Europe of 1992 "A Europe for the People" (ENGLISH)	La France des iles du Pacifique: Le Fidji (Pacific Island Geography, part 3 of 6) Viti Levu is the largest island in the Fiji group; Capital is Suva; smaller islands are great tourist attraction. (FRENCH)
Tuesday 4.12	Pacific Island Geography, part 2 of 6 Mauii has developed from two volcanic islands; it is the most popular island in the Hawaiian group.	Computers in the Office: (OSCALL) Part 2 of 3 Using spreadsheets (ENGLISH)
Wednesday 5.12	Turkish Language and Literature, part 5 of 6 An introduction to poetry, including Turkish poetry, and an item on Ahmet Muhip Diranas, poet and playwright who died in 1980 (TURKISH)	Turkish Language and Literature, part 5 of 6 [A REPEAT OF THIS MORNING'S PROGRAMME]
Thursday 6.12	Der Lebensraum des Kindes, part 1 of 2 Kurt Lewin's film, made in 1931 is used as illustration by Professor Luck (GERMAN)	Der Lebensraum des Kindes, part 1 of 2 [A REPEAT OF THIS MORNING'S PROGRAMME]
Friday 7.12	Now You're Talking, part 1 [A REPEAT OF TUESDAY'S PROGRAMME]	Kontext, part 5 of 6 A course for teachers of the German language (GERMAN)

Table 2
Channel e schedule as broadcast: Week 49, December 3 to 9 1990

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Sample Channel e Broadcast Schedule - 1992/3

	0600-0700 CET	1200-1300 CET	2300-2400 CET
Monday	Advanced Computer Studies (GERMAN)	Tropical Agriculture (AGRISAT) (POLISH)	Agricultural Update (FRENCH)
	Our European Cultural Heritage (DANISH)	German Traffic Law	Report from the Commission (ENGLISH)
Tuesday	German Langauge Course	Open University (GB)	English Language Course
	Social Psychology (FRENCH)	Open University (GB)	Call Your MEP [LIVE PHONE-IN] (ENGLISH)
12 Wednesday	European Law (ENGLISH)	Environmental Studies (FRENCH)	The Mediterranean Coast (ITALIAN)
	Call your MEP [REPEAT OF YESTERDAY'S PROGRAMME] (ENGLISH)	French Trade Unions and their Organisation [MIGRANT SERIES] (ARABIC)	Euro Parliament Weekly Review (FRENCH)
Thursday	German Language Course	Vocational Training (Heavy Vehicle Maintenance)	English Language Course
	Report from the Commission (FRENCH)	French Language Course	Architecture - Professional Retraining Course (GERMAN)
Friday	Our European Cultural Heritage (PORTUGUESE)	Europe Tomorrow: Options & Decisions (GERMAN)	Open University (repeat Tuesday)
	Keep Healthy (ENGLISH)	Consumer Law Report (DUTCH)	Open University (repeat Tuesday)

Table 3
Sample Channel e schedule for broadcast during a typical week in 1993

3. The Channel e development strategy

3.1. In the medium term: 1991 to 1994

Consistent with our policy that we should continue to be seen to exist, we intend to build on our existing on-air service of one hour a day, five days a week, to achieve an extension of broadcasting hours to an eventual offer of around fifteen original hours of broadcasting each week.

On the preceding pages, in Tables 2 and 3, we present a sample of a typical week of Channel e as broadcast in December 1989, and our projection of the possible service that might be offered in a wider broadcasting schedule in a typical week in 1994. The programmes suggested for the 1994 schedule are based on discussions that have already taken place with present a potential programme providers, and represent a conservative view of the kind of material expected to be available.

We believe this development can be realised both by obtaining transmission slots from satellite broadcasters on a barter basis, and by increasing the revenue base of the Channel e operation alongside an expansion of distribution outlets to include further development of cable carriage in additional territories, and development of onward sale of Channel e programme packages to national terrestrial and cable broadcasters.

The Channel e offer will, during this development period, be based on:

- A reliable appointment with the European viewer, offering regular and accessible educational and informational programming in the viewer's own language

- Development of the role of Channel e as a realistic and reliable pan-European service of delivery of continuing educational and informational programming in the European context.

- Provision to programme providers of advanced forms of language transfer, such as computer-assisted dubbing, real-time

superimposition of subtitles and developments of voice-over techniques, alongside development of support materials and interactive courseware for the multilingual market.

- Negotiation of cable carriage and other relevant management services designed to help programme providers deliver their material into the European market, and evaluation and assessment procedures to measure the effectiveness of the communication.

- Development of European informational programming with a view to meeting the need for resources to support the teaching of Europe and European affairs as an educational subject. This should be undertaken in co-operation with the European Parliament EPITEL initiative, the MEDIA programm of DG X and the Task Force on Human Resources of the European Commission and other relevant European and national agencies to provide clear and current information in relevant languages on current European political and social concerns.

- Development of enhanced educational and training initiatives both with present programme providers and in collaboration with European distance teaching organisations and members of EADTU (the European Association of Distance Teaching Universities) and Eurostep to create a genuinely pan-European and multilingual open learning channel for all the citizens of Europe.

3.2. Financial resources

The revenue sources likely to be available to Channel e during this period are:

3.2.1. Payment by programme providers

Many, though not all, programme providers during the experimental period have paid 12 ecu/minute for transmission of their programmes. Following the end of the subsidised experimental period, it will be necessary to secure a higher rate both of compliance with the demand for the fee and of the level of the fee itself. At the present levels of 75% compliance and a fee at 12 ecu/minute, this revenue would amount to an annual revenue of around 135 000 ecu. During the exploratory phase of the DELTA project, this money has been spent on programme packaging and other services not provided in the Commission budget.

However, if Channel e were to seek to recover the whole costs of the operation, including uplink, transponder time and office overheads from this source, the fee would have to be increased to around 2 500/hour, or a little under 50 ecu/minute.

3.2.2. Sale of the Channel e service to an established satellite broadcaster

The provision of educational and informative programming is a central part of the remit of many, though not all, established European broadcasting organisations, both terrestrial and by satellite. Channel e would hope in some cases to be able to offer its service to such broadcasters on the same terms as the provider of any other programme package, and receive recompense for the hours of broadcasting provided according to the usual commercial scale in such cases. Should this become practicable, the budget forecasts would obviously benefit both by the additional revenue so secured, and by the absence of the need to pay for playout, uplink and tramission services, all of which would be the responsibility of the broadcasting organisation purchasing the Channel e service. In practice it seems likely that in the early years a mix of sale, barter (the offer of programmes against provision of airtime) and purchase direct of airtime by Channel e will be needed.

The most significant disadvantage of such arrangements is that the broadcaster purchasing the package of programmes will expect to be able to accept or reject individual elements of the package, possibly to the detriment of desirable but commercially unprofitable activities within the overall Channel e service.

3.2.3. Sale of Channel e programme packages to other broadcasting organisations

We believe that it should be possible in many cases to secure onward sale rights and second language rights in programmes meeting the needs of identified audiences (language training, minority cultures, second-language versions of relevant educational and training programmes). These programmes can be offered for sale to other broadcasting services, whether terrestrial or satellite, at standard rates for this type of programming so as to recover all preparation and language transfer costs and contribute to the revenue base of the service.

3.2.4. Partnership with other organisations

The planned growth of Channel e broadcasting will benefit from the development of partnerships with existing national organisations with interests in distance education by satellite, or with informational, educational and social tasks to which satellite television broadcasting can provide a valuable resource. National and multinational training and professional organisations, migrant groups and cultural bodies will fall into this category.

An important strand of programming will be developed on the basis of the existing broadcasts for the Turkish migrant community to offer, following research carried out by the Channel e partner VNU, a broader response to the expressed need both for programming of cultural reinforcement and for the integration of minority groups into the framework of national cultures within Europe. In this context a programme proposal for the development and production of such programmes should be submitted to DG 5 and the Task Force on Human Resources of the European Commission.

It would be appropriate to enlarge the scope of these programmes to include minorities, such as the peoples of the Maghreb and Afro-Caribbean areas now living and working in European countries. The programmes in this important strand would fall into three broad areas:

- programmes devoted to a common heritage and culture
- programmes relating to individual countries of origin of migrants
- programmes concerned with the life of migrants in the different host countries within Europe.

3.2.5. Commercial revenue development

There is some revenue to be projected from commercial sale of products related to Channel e broadcasting, both as a whole and in individual programmes strands. In particular, Channel e could participate in sales of tapes and printed materials with programme providers as part of the overall package of the service of delivering the programmes and their support materials to the desired audiences. The development and production of multi-media course materials,

including videotapes of the television programmes, printed study papers and computer-based learning materials could be expected to become a profitable activity within the overall Channel e framework. Organisations such as AgriSat in France, which seeks to develop educational broadcasting to European farmers, would be appropriate partners in such a development.

It is also apparent that Channel e has acquired during the exploratory DELTA phase an body of expertise in such fields as cable negotiation, copyright, scheduling and production management, all of which services can be offered to the market in the form of consultancies for outside bodies.

3.2.6. Sponsorships and advertising

While advertising revenue is difficult to project, and may in the case of bartered transponder time be unavailable to Channel e, we believe that over the four years a level of sponsorship both for the overall service and for individual programmes can be achieved at a level of 600 ecu/hour, leading to a fully-sponsored annual revenue potential by the fourth year of 468 000 ecu

3.2.7. Public funding and subventions

As the unique European multilingual educational and informational television service able to reach a wide audience in every European country, Channel e is meeting a number of desired cultural, educational and social objectives laid down by different areas of the European Commission. We would therefore hope to benefit from financial support from the Commission, particularly in the first three years of the service after DELTA.

We will also seek to participate in the next phase of DELTA activities within the Commission's Framework programme by carrying out defined and specific research tasks in the fields of language transfer and interactivity.

Certain limited support funding might be sought through existing European programmes such as TEMPUS, VALUE, LINGUA, to assist

in the development of complementary rather than core Channel e activities.

3.3. In the long term: 1995 and beyond

There are financial advantages in securing for Channel e a whole lease of a transponder on one of the ASTRA satellites, allowing Channel e to benefit from sales of sub-carrier and television broadcast capacity while securing its own base of transmission time. This option would require the formation of a consortium with other interested parties to take a full lease of a satellite transponder, under the overall management of the Channel e service, with a view to ensuring that the costs of Channel e transmissions to the viewer were entirely covered by the revenues of the broadcasting activity.

Such a transponder would become in effect a European television publishing house, most comparable perhaps with the services of Channel 4 in the United Kingdom, but with the difference that the primary remit would be educational and informative. It would allow the first steps to be taken towards the establishment of a European Open University, and offer a platform for distribution of a wide range of materials from existing distance teaching universities and other organisations in Europe.

The availability of the audio subcarriers would allow both the development of truly multilingual services involving simultaneous transmission in up to seven languages, and ownership of the broadcast signal would also allow transmissions of data signals and other material on a commercial basis to provide support for the television programmes and generate additional revenue for the service as a whole.

Such a service could be seen as a valuable addition to the overall ASTRA offer of predominantly entertainment-led services while retaining the ubiquity of the ASTRA channels in the European marketplace.

3.3.1 A number of possible structural scenarios can be considered. The consortium referred to above (3.3) might consist of a numbers of partners with differing responsibilities, eg.

Partner 1 - Channel e, central organiser and administrator.

Partner 2 - Company A, subcontracted to be responsible for programmes over the weekend.

Partner 3 - Company B, subcontracted to provide programmes from the European Parliament, and material originating from the European Commission.

Partner 4 - Company C, subcontracted to facilitate the transmission of the programmes.

Partner 5 - Company D, subcontracted to facilitate the presentation and distribution of the programmes.

Partner 6 - Company E, subcontracted to provide programmes related to formal educational needs.

Partner 7 - Company F, subcontracted to provide programmes of a general cultural nature.

Partner 8 - Company F, subcontracted to provide programmes relating to language tuition.

Partner 9 - Company G, subcontracted to facilitate the language transfer of Channel e's programmes.

Partner 10 - Company H, subcontracted to be responsible for the area of support material.

Partner 11 - Company I, responsible for the initiation and development of interactivity.

A mix drawn from some or all of the above list would enable Channel e to utilise the expertise of those, best in their respective fields, in the presentation of a European open-learning channel which could survive and prosper in a commercial broadcasting environment. The Consortium would be a grouping of specialists each able to contribute a particular individual knowledge to the whole.

4. COSTS AND REVENUES OF CHANNEL e BROADCASTING

We present here two estimates of cost based on different options for the continuation of Channel e broadcasting activities.

The first (Table 4) sets out the projected situation at the end of the fourth year of the four year development plan, building from one hour per day to three hours per day, and projecting the likely development of income sources and the need or additional funding during the establishment years of the project as a free-standing activity outside the DELTA programme.

The second (Table 5) sets out the financial implications of taking a full transponder as primary lessee. These estimates are intended to give a very broad outline of the possible costs of each option, and are calculated to include full overhead and on-cost charges where appropriate.

All the figures shown in Tables 4 and 5 are indications only, but they do show an order of magnitude which reasonable estimates suggest. Both Tables assume that Programme Production costs will be borne, as now, by the Programme Providers.

Based on our present experience within DELTA, we can identify certain annual costs as being broadly parallel in both Tables, with the main variable being the cost of the actual uplink and transmission.

We have assumed in each cast that programmes would be supplied on pre-recorded tapes to the uplink centre, and have based our costings on the assumption that playout, uplink and transponder costs, including overhead costs, will average 50 000 ecu per weekly hour for one year.

Table 4

DEVELOPMENT DURING THE PERIOD 1991 - 1994

EXPENDITURE per annum	ECU
Transponder rental costs and uplink for three hours for five days/week	750 000
Staff costs for eight posts	350 000
Audience and market research	230 000
Production, packaging and presentation costs based on fifteen hours/week	150 000
Programme procurement	60 000
Office accommodation and overheads, PTT etc	140 000
TOTAL EXPENDITURE	**1 680 000**

INCOME per annum	
Service fees to programme providers at 25 ecu/ minute for 50% of broadcast time	585 000
Sponsorship at 600 ecu/hour for approximately 60% of broadcast time	280 000
Channel e consultancies, language transfer and interactivity research	250 000
Programme sales and marketing	60 000
Total revenue from Channel e activities	1 175 000
Public provision requirement	505 000
TOTAL INCOME	**1 680 000**

Table 5

DEVELOPMENT FROM 1995

EXPENDITURE per annum	ECU
Transponder rental and uplink costs (of which Channel e would use 8 hours/day)	5 300 000
Staff costs for ten posts	450 000
Production, packaging and presentation costs based on fifty six hours/week	560 000
Audience and market research and publicity	330 000
Programme procurement	100 000
Office accommodation and overheads, PTT etc	180 000
TOTAL EXPENDITURE	**6 920 000**

INCOME per annum	
Service to programme providers at 25 ecu/minute for 50% of broadcast time	2 184 000
Sponsorship at 600 ecu/hour for, say, 30% of broadcast time	524 100
Channel e consultancies	250 000
Programme sales and marketing	225 000
Transponder leasing to third parties (see note)	2 901 750
Subcarrier leasing, based on 2 sub carriers leased 50% at 75 000 ecu each	150 000
Total revenue from Channel e activities	6 234 850
Public provision requirement	685 150
TOTAL INCOME	**6 920 000**

Note: the figure for transponder leasing assumes that 33% of hours (5.3 hours /day additional to those used by Channel e) can be sold at an average cost including playout and uplink of 1 500 ecu/hour, which is the rate currently charged by established commercial broadcasters on ASTRA. Every additional hour leased, above the 5.3 hours per day, would reduce the Public Provision Requirement by 1 500 ecu.

This model (Table 5) assumes that playout and uplink costs will use leased facilities, will be directly chargeable to the programme services concerned and that programme transport to the point of playout will be at the programme provider's cost. On this model, there would still be a need for long-term public provision to support non-revenue generating activities and underwrite losses arising from incomplete sub-letting of transponder time in the first years of the project, amounting to 500 000 ecu in the first year and falling to nil at the end of three years' operations.

5.Summary

Clearly Channel e is not in a position to leap all at once from five hours a week to fifteen. We therefore propose a four-year development programme, building toward a three-hour day, fifteen hours a week, as set out above in Table 4 .

5.1. Stage 1: 1991 to end 1994

- Maintenance of the service on the air at the existing level of one hour per day, five days a week.
- Development of medium and long-term use of the Channel e service in formal and informal education throughout Europe, and integration of the Channel e programmes into syllabus planning
- Establishment of commercial profit centres of broadcasting linking educational programming with commercial activities designed to bring additional revenue to Channel e
- Development of cable carriage in additional territories
- Identification of sponsorship and other funding possibilities
- Progressive enlargement of the Channel e offer to a total of three hours/day, on the basis that each hour transmitted brings sufficient revenue both to support itself and contribute to general overheads of the service
- Introduction of targeted encrypted services for subscribing organisations

- Consolidation of the Channel e role as the prime European educational and informational broadcaster

5.2. Stage 2: 1995 and beyond

Securing revenue base sufficient to cover all costs of the service, establishment of common multilingual programming designed for inclusion as resource material in tertiary-level courses throughout Europe.

The possibility of eventually securing a full transponder lease, so benefitting from the commercial possibilities of subletting time to other interested parties as suggested in Table 5 can only be evaluated in the light of the broadcasting experience in three or four years time and the then development of the direct-to-home reception market, the spread of cable systems, and the willingness of cable operators to make bandwidth available to Channel e and other European educational broadcasters

5.3. Conclusion

In the eighteen months afforded to us so far within the DELTA programme, Channel e has established the practicability of broadcasting multilingual educational and informational programmes to the European audience. No other service has been able to offer its programmes so accessibly to so wide and audience.

We have identified the costs of continuation of the service and established the practical means to offer Channel e programmes to the wider European audience, at home, at work and in institutions of learning.

In the next phase of Channel e activity it is necessary to establish a more secure and long-term basis for funding outside the experimental support offered by DELTA. We believe that this funding should come from a mixture of public and private sources, and that the commercial opportunities open to Channel e should and can be fully exploited to the point of breaking even at the end of four years.

chefut 5 Feb 1990

ANNEX 1

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